

SECRET EYES ONLY

DD/S 68-1516

25 MAR 1968

MEMORANDUM FOR: Executive Director-Comptroller  
Deputy Director for Support

SUBJECT : Surplus Personnel - Need for Command Impetus

1. As of 29 February 1968, the Agency was 217 over ceiling strength. Within the next 15 months, we will be returning a minimum of 400 employees from overseas service due to abolishment of their positions in the BALPA exercise. In addition, I am advised of the pending return of some 75 employees from JMWAVE. In sum, it seems likely that the Agency will have an excess of 300-350 employees by 31 December 1968, and possibly 400 by 30 June 1969. These estimates make allowance for the placement of a substantial number through normal attrition and drastic curtailment of recruitment. Since clerical recruitment cannot be curtailed without dire consequences to Agency performance, and since returning personnel cannot possibly qualify for many positions for which we need to recruit, the number of excess personnel at any given date only tells part of the story. The rest of the story is that there will also be serious imbalance between the types of personnel on duty and the types we need to carry out our mission in the years ahead.

2. In earlier years, the Agency has always been able to accommodate to occasional excesses of personnel arising from abrupt curtailment of some facet of our operations. The Agency has grown steadily, new world crises have continued to develop, and manpower, budgetary, and grade controls have been sufficiently flexible to permit the undertaking of new ventures.

3. It is my opinion that the Agency has now entered an indefinite period of stability or contraction - a period in which external controls will severely inhibit any solution to our problems by the simple expedient of expansion. If so, it is imperative that management take the initiative in establishing an equitable, effective system of manpower planning and control.

4. Conceptually, the Agency has most of the tools and authority necessary to correct imbalances in its staffing or to eliminate any total surplus of personnel. In my opinion, however, Agency management is psychologically unprepared and unwilling to face up to the task of long range manpower planning and control. Either management is not yet convinced of

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the need for and the benefit that would accrue from continuing attention to manpower management, or it is being deterred by concern for the interests of individuals and the fear of adverse publicity. The real reasons for management's neglect and hostility toward manpower planning and management is probably a mixture of the above.

5. The Agency has an age 60 retirement policy which is being implemented with decreasing effectiveness and increasing hostility and tension. It should either be abandoned or be affirmed and enforced. Personally, I consider the policy vital to the interests and needs of the Agency; however, I believe it should be modified to exclude all persons in grades 10 and below. I also believe compensatory payments to individuals who retire pursuant to policy are justified and morally right.

6. The Agency has a voluntary early retirement program for a substantial number of its personnel - in general for those working in fields which can least afford to retain all employees until normal retirement. With the exception of employees of the Office of Communications, it is now eminently clear that optional early retirement is an ineffectual tool for manpower control. The financial costs and risks involved in changing careers at age 50 or over are usually too great for the individual to venture.

7. The Agency has involuntary early retirement authority - an absolute manpower management tool. Yet it is clear that management will not use it except to get rid of totally unsatisfactory employees. Obviously, management does not see the need to use the tool it has, considers the device unfair to individuals, or is afraid to use its powers. Again, the answer is a blend of the reasons cited.

8. The Agency has a reduction-in-force procedure which is potentially the most selective, equitable, and effective in government. Our one experience in using this tool demonstrated that management at large was hostile to the concept of manpower management and that the mechanism needs considerable overhauling to enhance its credibility and acceptability.

9. As stated before, I believe the time is at hand for management to establish manpower planning, utilization, and control as a high priority continuing requirement. The problem is to obtain management backing and to place responsibility for getting it accomplished.

10. The immediate requirement is for intensive study of the problem, our policies, authorities, and mechanisms, and to take whatever action, legislative or otherwise, may be necessary to give the Agency permanent effective control over the makeup of its employee body.

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11. In order of importance and priority, immediate attention should be given to the following:

- a. The review, modification as warranted, and announcement of the Agency retirement age policy in unequivocal terms.
- b. Determination as to the need for and feasibility of a compensatory payment program for those to whom the policy is applied.
- c. The merging of the voluntary and involuntary early retirement provision of the CIA Retirement System under the umbrella of a normal annual selection-out program. Properly handled this is the only device that will prevent the recurring build-up of imbalances in the makeup of personnel engaged in intelligence activities. It will permit the Agency to nibble constantly at its problems without periodic massive traumatic experience. It will solve our increasing problems of immobility in staffing and promotion blockages.
- d. Determination as to the need for and feasibility of greater financial protection for individuals retiring early. The greatest deterrent to voluntary or involuntary early retirement from both the individual's point of view and that of management is the drastic loss of expendable income during the subsequent period of unemployment and vocational rehabilitation. This can and should be corrected.

12. I believe that study, decision, and action on these points is urgently needed and is a prerequisite to thoughtful decisions as to how our present and prospective surplus of personnel is to be handled. I suggest this be done by a most carefully chosen task force operating under a strict charge to produce solutions and not problems.



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Rewritten: SA-DD/S/SS/EDE:bak(25 Mar 68)

SA-DD/S/SS/EDE:bak(22 Mar 68)

Distribution:

Orig. - Addressee